

A Consumer's Guide to Homeowner's Insurance in the State of Hawaii

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GENERAL INFORMATION

Homeowner's insurance is not required by law in Hawaii. If your home is mortgaged, however, your lender may require insurance on your home for the duration of your loan. Homeowner's insurance provides protection for your dwelling, personal property, and on-site buildings if damaged or destroyed by a covered peril. Perils are events (i.e. fire and explosion) which cause damage to property. In addition to property coverage for your home and outbuildings, each policy usually contains four additional coverages: personal property, additional living expenses, personal liability, and medical payments.

This guide provides a general overview of homeowner's insurance in Hawaii and is not intended to replace carefully reading your policy documents. Keep in mind insurers may have varying definitions of policy language and charge different rates for the same coverage. We encourage you to review your policy with your insurance agent to ensure your current provisions best suit your coverage needs.

TYPES OF HOMEOWNER'S INSURANCE POLICY FORMS

While coverage descriptions may vary, most insurers use one or more of the following policy forms. Comprehensive Form (HO-5), not listed, provides the broadest coverage but is uncommon.

HOME OWNER'S POLICY FORMS			RENTER'S POLICY FORM	UNIT-OWNER'S POLICY FORM
BASIC FORM (HO-1)	BROAD FORM (HO-2)	SPECIAL FORM (HO-3)	CONTENTS BROAD FORM (HO-4)	CONDO OWNERS FORM (HO-6)
Named peril coverage: fire, lightning, windstorm excluding hurricane, hail, explosion, vandalism or malicious mischief, damage by vehicles, aircraft and riots. Since few homeowners select this limited policy, many insurers no longer offer Form HO-1.	In addition to the Basic Form (HO-1) coverages, this form also insures a home and personal property for collapse or damage from falling trees and other objects, and (under certain conditions) from steam and water damage.	Open peril coverage excluding the following: flood, surface water, sewer backups, tidal waves, earthquakes, landslides, war, nuclear radiation, and hurricane. Personal property only covered for the same perils as the Broad Form (HO-2).	This policy provides renters personal property protection against the same perils as the Broad Form (HO-2) and includes personal liability protection. Unlike the other policy forms, the renter's HO-4 form only incorporates coverages C through F.	This condominium and townhouse unit owners form offers coverage for personal property and interior finishes. The condo association typically purchases a separate policy that covers the building (including common walls and grounds) and associated liability.
>>>>>>>>>>>> As coverage increases so does your premium price. >>>>>>>>>>>>				

POLICY COVERAGES

Every homeowner's policy, except for HO-4, includes the following six coverages. If your policy's standard coverage is inadequate, endorsement forms may offer specialized coverage to meet your needs.

Section I	Coverage A: Covers main house damage. The coverage limit is typically set at or near the replacement cost of the home. For Condo Unit-Owners (HO-6), limit usually the declared value by insured.
	Coverage B: Covers damage to other structures on the lot, such as detached garages/carports and storage sheds.
	Coverage C: Covers damage to or loss of personal property.
	Coverage D: Covers additional living expenses (incurred by the insured) to continue the "normal" standard of living when the house cannot be occupied due to a covered loss.
Section II	Coverage E: Covers personal liability exposures. Protects against a claim/lawsuit resulting from (non-auto & non-business) bodily injury or property damage to others caused by your negligence.
	Coverage F: Regardless of who is at fault, this coverage pays for reasonable medical expenses for persons (other than you or residing family members) accidentally injured on your property.

TYPES OF VALUATION

Replacement cost is the amount necessary to replace, rebuild, or repair your home/property without deducting for depreciation. Depreciation is the decrease in an asset's value due to age, obsolescence, and/or "wear and tear." Many insurers require policyholders to insure their homes for at least 80% of its replacement value.

Actual cash value (ACV) is the cost to replace, rebuild, or repair your home/property after deducting for depreciation. Most homeowner policies cover personal property on an ACV basis.

PREMIUM DEVELOPMENT CONSIDERATIONS (VARIES BY INSURER)

Your premium may be based on, but not limited to, the following factors: type of construction, loss prevention devices, public protection class, deductible level, amount of insurance, and policy form.

BUYING HOME INSURANCE

The key to insurance comparison shopping is identifying your desired deductible levels, coverage limits and provisions before getting premium quotes. Once your ideal policy parameters are selected (with your agent's assistance, if necessary), the quotes you receive should be on an "apples to apples" comparative basis. After obtaining multiple premium quotes, your personal preference dictates the emphasis placed on the following considerations: premium cost, service and financial stability. Generally, financial ratings from reputable sources (i.e. A.M. Best and Moody's) indicate an insurance company's financial "health" and ability to pay claims. Note: if your agent only represents one insurance company, you may need to contact an independent agent to obtain competing quotes.



The Insurance Division of the Hawaii State Department of Commerce and Consumer Affairs provides this sample premium comparison of licensed insurance companies transacting Homeowners insurance in Hawaii as part of our continuing effort to assist and educate consumers.

OAHU - SAMPLE ANNUAL RENTERS (TENANT) PREMIUMS

Based on voluntary participation of licensed insurers, the sample premiums listed below consider the following assumptions:

RENTERS POLICY (HO-4)	DWELLING CHARACTERISTICS		
Coverage C: \$25,000 D: 20% of Coverage C Deductible: \$500 Rates effective as of January 1, 2012	Year Built: 1980 Construction: Wood (Single-wall) Roof: Hip, asphalt shingle Elevation: 15' above sea-level Add'l Factors: Primary residence No claims in 5 yrs.	2005 Wood (Double-wall) Hip, asphalt shingle 15' above sea-level Primary residence No claims in 5 yrs.	1990 Masonry (CMU) Flat, torched membrane 15' above sea-level Primary residence No claims in 5 yrs.

NAIC Co. Code	Insurance Company	Public Protection Class*		Public Protection Class*		Public Protection Class*	
		3	10	3	10	3	10
10861	Universal Property and Casualty Insurance Co.	63	129	63	129	63	129
12502	Dongbu Insurance Co., Ltd. (U.S. Branch)	76	153	76	153	69	115
15598	Interinsurance Exchange of the Automobile Club	102	116	102	116	102	116
37265	DTRIC Insurance Company, Ltd.	105	212	105	212	105	212
25143	State Farm Fire and Casualty Company	109	120	109	120	109	120
23035	Liberty Mutual Fire Ins. Co.	124	140	124	140	124	140
25180	Fidelity National Insurance Company	n/a	n/a	135	n/a	135	n/a
29068	IDS Property Casualty Ins. Co.	150	150	150	150	150	150
19615	American Reliable Insurance Company	167	278	185	371	185	371
28487	Farmers Insurance Hawaii, Inc.	193	392	193	392	172	294
10111	American Bankers Insurance Company	203	203	203	203	203	203
25941	United Services Automobile Association	251	251	251	251	251	251
18600	USAA General Indemnity Company	253	253	253	253	253	253
25968	USAA Casualty Insurance Company	301	301	301	301	301	301

(H): includes hurricane premium

OAHU - SAMPLE ANNUAL RENTERS (TENANT) HURRICANE PREMIUMS

Based on voluntary participation of licensed insurers, the sample premiums listed below consider the following assumptions:

HURRICANE POLICY	DWELLING CHARACTERISTICS (same as above)		
Contents Replacement Cost: \$25,000 Deductible: DED (below) Rates effective as of January 1, 2012	Construction: Wood (Single-wall) Wind R Devices: None R = Resistive	Wood (Double-wall) Hurricane roof clips Foundation anchors	Masonry (CMU) Hurricane roof clips

NAIC Co. Code	Insurance Company	DED	Public Protection Class*		Public Protection Class*		Public Protection Class*	
			3	10	3	10	3	10
10861	Universal Property and Casualty Insurance Co.	2%	24	24	19	19	11	11
25180	Fidelity National Insurance Company	1%	n/a	n/a	25	n/a	11	n/a
25143	State Farm Fire and Casualty Company	2%	35	35	35	35	31	31
12502	Dongbu Insurance Co., Ltd. (U.S. Branch)	2%	97	97	42	42	42	42
15598	Interinsurance Exchange of the Automobile Club	2%	124	124	59	59	46	46
19615	American Reliable Insurance Company	2%	63	63	63	63	63	63
25941	United Services Automobile Association	2%	68	68	68	68	68	68
25968	USAA Casualty Insurance Company	2%	68	68	68	68	68	68
18600	USAA General Indemnity Company	2%	68	68	68	68	68	68
29068	IDS Property Casualty Ins. Co.	5%	62	62	62	62	62	62
10111	American Bankers Insurance Company	2%	included	included	included	included	included	included

* The Public Protection Classification (PPC) is a rating criterion that measures a community's fire protection capabilities. PPC community grading is based on Fire Department characteristics, available water supply, and communication system. On Oahu, your property's PPC is a 3 unless located more than five road miles from a recognized fire station and 1000 feet from a 4" hydrant (PPC 10). Please contact your agent for more information.

THE SAMPLE PREMIUMS VS. YOUR PREMIUMS

The premium cost of your Renters insurance policy may be affected by, but not limited to, the following considerations: coverage limits, deductible levels, loss preventative devices (i.e. security system) and previous claims. Each insurance company may have unique rating factors associated with these risk classifications. Thus, your current or quoted premium could vary from the sample indications. Please contact your agent to obtain quotes from listed and unlisted insurers to account for your home's specific characteristics and desired coverage provisions.



As part of our continuing effort to assist and educate consumers, the Insurance Division of the Hawaii State Department of Commerce and Consumer Affairs provides this sample premium comparison of licensed insurance companies transacting Homeowners insurance in Hawaii.

SAMPLE PREMIUMS
vs.
YOUR PREMIUMS

The premium cost of your Homeowners insurance policy may be affected by, but not limited to, the following considerations: coverage limits, deductible levels, loss preventative devices (i.e. security system) and previous claims. Each insurance company may have unique rating factors associated with these risk classifications. Thus, your current or quoted premium could vary from the sample indications. Please contact your agent for quotes from listed and unlisted insurers to account for your home's specific characteristics and desired coverage provisions.

SAMPLE PREMIUMS EFFECTIVE
AS OF:

January 1, 2012

PUBLIC PROTECTION
CLASSIFICATION

* Public Protection Class (PPC) is a rating criterion that measures a community's fire protection capabilities. PPC community grading is based on Fire Department characteristics, available water supply, and communication system. Please contact your agent to find out which classification applies to your property.

NEIGHOR ISLAND - SAMPLE ANNUALRENTERS (TENANT) PREMIUMS																			
RENTERS POLICY (HO-4) ASSUMPTIONS							DWELLING CHARACTERISTIC ASSUMPTIONS												
Coverage A: B:		Year Built: 1980 Elevation: 15' above sea-level Construction: Wood (Single-wall) Roof: Hip, asphalt shingle Add'l: Primary residence, no claims in 5 yrs.					Year Built: 2005 Elevation: 15' above sea-level Construction: Wood (Double-wall) Roof: Hip, asphalt shingle Add'l: Primary residence, no claims in 5 yrs.					Year Built: 1990 Elevation: 15' above sea-level Conctruction: Masonry (CMU) Roof: Flat, torched membrane Add'l: Primary residence, no claims in 5 yrs.							
C: \$25,000																			
D: 20% of Coverage C																			
Deductible: \$500																			
NAIC Co. Code	Insurance Company	Public Protection Class*						Public Protection Class*						Public Protection Class*					
		4	5	6	7	9	10	4	5	6	7	9	10	4	5	6	7	9	10
10861	Universal Property and Casualty Insurance Co.	64	64	65	77	103	129	64	64	65	77	103	129	64	64	65	77	103	129
12502	Dongbu Insurance Co., Ltd. (U.S. Branch)	76	76	76	92	123	153	76	76	76	92	123	153	69	69	69	69	99	115
37265	DTRIC Insurance Company, Ltd.	105	105	105	105	169	212	105	105	105	105	169	212	105	105	105	105	169	212
15598	Interinsurance Exchange of the Automobile Club	105	108	109	109	116	116	105	108	109	109	116	116	105	108	109	109	116	116
25143	State Farm Fire and Casualty Company	109	113	113	116	120	120	109	113	113	116	120	120	109	113	113	116	120	120
23035	Liberty Mutual Fire Ins. Co.	124	128	128	133	140	140	124	128	128	133	140	140	124	128	128	133	140	140
25180	Fidelity National Insurance Company	n/a	n/a	n/a	n/a	n/a	n/a	135	135	135	135	n/a	n/a	135	135	135	135	n/a	n/a
29068	IDS Property Casualty Ins. Co.	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150
19615	American Reliable Insurance Company	167	167	167	200	267	278	185	185	185	222	296	371	185	185	185	222	296	371
28487	Farmers Insurance Hawaii, Inc.	194	195	197	235	313	392	194	195	197	235	313	392	174	176	178	180	254	294
10111	American Bankers Insurance Company	203	203	203	203	203	203	203	203	203	203	203	203	203	203	203	203	203	203
25941	United Services Automobile Association	247	247	247	247	247	247	247	247	247	247	247	247	247	247	247	247	247	247
18600	USAA General Indemnity Company	249	249	249	249	249	249	249	249	249	249	249	249	249	249	249	249	249	249
25968	USAA Casualty Insurance Company	297	297	297	297	297	297	297	297	297	297	297	297	297	297	297	297	297	297

NEIGHBOR ISLAND - SAMPLE ANNUAL RENTERS (TENANT)HURRICANE PREMIUMS																				
HURRICANE POLICY ASSUMPTIONS			DWELLING CHARACTERISTICS ASSUMPTIONS (same as above)																	
Replacement Cost: \$25,000 Deductible: DED (below)			Construction:	Wood (Single-wall)						Wood (Double-wall)						Masonry (CMU)				
			Wind-Resistive Dev.:	None						Hurricane Roof Clips, Foundation Anchors						Hurricane roof clips				
NAIC Co. Code	Insurance Company	DED	Public Protection Class*						Public Protection Class*						Public Protection Class*					
			4	5	6	7	9	10	4	5	6	7	9	10	4	5	6	7	9	10
10861	Universal Property and Casualty Insurance Co.	2%	24	24	24	24	24	24	19	19	19	19	19	19	11	11	11	11	11	11
25180	Fidelity National Insurance Company	1%	n/a	n/a	n/a	n/a	n/a	n/a	25	25	25	25	n/a	n/a	11	11	11	11	n/a	n/a
25143	State Farm Fire and Casualty Company	2%	35	35	35	35	35	35	35	35	35	35	35	35	31	31	31	31	31	31
12502	Dongbu Insurance Co., Ltd. (U.S. Branch)	2%	97	97	97	97	97	97	42	42	42	42	42	42	42	42	42	42	42	42
15598	Interinsurance Exchange of the Automobile Club	2%	124	124	124	124	124	124	59	59	59	59	59	59	46	46	46	46	46	46
19615	American Reliable Insurance Company	2%	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63
25941	United Services Automobile Association	2%	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68
25968	USAA Casualty Insurance Company	2%	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68
18600	USAA General Indemnity Company	2%	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68
29068	IDS Property Casualty Ins. Co.	5%	62	62	62	62	62	62	62	62	62	62	62	62	62	62	62	62	62	62
10111	American Bankers Insurance Company	2%	(H) = Hurricane coverage incl. in HO-4 premium						(H) = Hurricane coverage incl. in HO-4 premium						(H) = Hurricane coverage incl. in HO-4 premium					